

EXPLANATORY MEMORANDUM TO

THE SEA FISHING (ILLEGAL, UNREPORTED AND UNREGULATED FISHING) ORDER 2009

2009 No. 3391

1. This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument designates the competent authorities responsible for implementing the IUU Regulation in England and Wales. It provides organisations and bodies such as Local Authority Port Health and the Marine Fisheries Agency with the means and powers necessary to fulfil their obligations under the Regulation. The instrument includes a provision for penalties and sanctions for offences under the council regulation.

3. Matters of special interest to the [Joint Committee on Statutory Instruments *or* the Select Committee on Statutory Instruments]

3.1 None

4. Legislative Context

4.1 This instrument is being laid to implement EC Council Regulation 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing and Commission Regulation 1010/2009 laying down detailed rules for the implementation of the Council Regulation. The Council and Commission Regulations complement the new EC Fisheries Control Regulation which establishes a modernised system to ensure compliance of European operators with the rules of the European Union (EU)'s Common Fisheries Policy, and Council Regulation 1006/2008 concerning authorisations for fishing activities of Community fishing vessels outside Community waters and the access of third country vessels to Community waters. These regulations together set up a comprehensive system to ensure the legality of fishing by European vessels and imports of fish and fisheries products into the EC from third countries.

5. Territorial Extent and Application

5.1 This instrument applies to England and Wales only.

5.2 This instrument will be replicated in Scotland and Northern Ireland.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- *What is being done and why*

7.1 Council Regulation 1005/2008 aims to prevent, deter and eliminate illegal, unreported and unregulated fishing practices by affording the EU market better protection against imports of illegally caught fish. The regulation applies in all maritime waters, in as much as derived products

are traded with the community or community nationals are involved in IUU fishing. One of the key requirements of the Regulation is the introduction of a catch certificate scheme for imports of fishery products from third countries. Exporters will need to obtain catch certificates that will be validated by the country to which the fishing vessel is registered. These certificates will be required on entry to the EU, and checked by national authorities of Member States. The Regulation also provides for stricter sanctions and penalties to be applied to those found to be engaging in illegal activity. This applies to both nationals of the EU as well as those importers found to be supporting IUU activity. The regulation also outlines a range of measures that can be taken against vessels engaged in IUU fishing as well as against countries failing to address IUU fishing or marketing of illegal fish catches.

The problem of Illegal fishing varies around the globe but it is widely recognised that it is a major threat to the global sustainability of fish stocks. It is estimated that IUU practices amount to between US\$10 and US\$24 billion every year worldwide representing around 20% of the worldwide reported value of catches. IUU fishing has major environmental and socio-economic impacts. Developing countries pay a particular high price, not least due to the lack of resources at their disposal to effectively control fishing activity their waters. IUU fishing also constitutes one of the most serious threats to the sustainable exploitation of living aquatic resources and marine biodiversity, and damages the marine environment by overfishing and irresponsible fishing practices and techniques.

The EU is the largest market for, and importer of, fisheries products in the world, and therefore a major target for IUU operators. Over 60% of all fish consumed in the Community is imported from outside the EU, and this rises to 90% in respect of white fish (e.g. Cod, Alaska Pollock) – much of which is imported to the UK. It is important for the UK to implement this Regulation to ensure EU-wide controls of illegal fishery products are strengthened. The UK has been a strong supporter of action against IUU and has taken the lead on international initiatives such as the High Seas Task force.

There has been close cooperation with industry stakeholders both at the negotiation stage of the Regulation and during its implementation. In response to Defra's published information, the majority of interest has been from those stakeholders who will be directly affected by the regulation as opposed to the general public at large. However, there is a growing awareness of this issue as was demonstrated by the large attendance at a recent Chatham House forum on the subject.

- ***Consolidation***

7.2 Consolidation not required as Regulation does not amend another instrument.

8. Consultation outcome

8.1 Consultation on the Regulation has taken place at various stages over the last 2 years. Defra has worked closely with industry stakeholders during the negotiation stages and the UK Government were able to secure amendments such as the inclusion of an Approved Economic Operator (APEO) scheme to lessen the burden on industry. Further consultation has taken place over the last 12 months amongst those sections of the industry likely to be affected, to seek their views and suggestions on the implementation policy. Defra officials have updated trade representation bodies such as the British Frozen Fish Federation (BFFF) and the Food and Drink Federation (FDF) during the course of the year, keeping them informed of progress and taking on board advice or suggestions where practicable. Defra has set up a small industry stakeholder group to provide feedback on implementation plans. Defra published an interim impact assessment and information note in July 2009 setting out the plans for implementation to allow interested parties to comment on the proposals. The impact assessment has been updated to reflect the latest implementation plans and more detailed cost estimates over the last few months.

9. Guidance

9.1 Guidance and information has been disseminated to those who will be affected by this Regulation. Defra has provided detailed information on its public website as well as making sure that trade organisations are fully informed to provide information and advice to their members. Information has been placed on the Business Link website and Port Health Authorities have been distributing information flyers to importers. Defra ran a series of information seminars in November to raise awareness of the new rules. The three events were well attended with approximately 160 importers and agents present.

10. Impact

10.3 An Impact Assessment is attached to this memorandum

11. Regulating small business

11.1 The legislation applies to small business.

11.2 One area where there could be potential for differences between large and small firms relates to the charges that Port Health Authorities are likely to levy for inspecting the catch certificates, which apply to all businesses, regardless of size. However, the introduction of an Approved Economic Operator system will allow importers who meet the requirements to be exempt from the charges as they will not have to present certificates at the border but keep them as records for future checks/verifications.

12. Monitoring & review

12.1 The long term success criteria for this Regulation will be the reduction and elimination of illegal fish from the EU market, with consequent benefits to the overall sustainability of global fish stocks. The Regulation should help to improve management and governance of fishery resources in both EU and third countries.

12.2 The European Commission will undertake an evaluation of the impact of this regulation by 29 October 2013. In addition, Member States are required to submit a report to the Commission on the application of the regulation every two years. On the basis of these reports and its own observations, the Commission will submit a consolidated report to the European parliament and the Council every three years.

13. Contact

Richard Parsons or Paul Riches at the Department for Food and Rural Affairs Tel: 020 7238 3129/5354 or email: IUU@defra.gsi.gov.uk

Summary: Intervention & Options

Department /Agency: Defra	Title: Impact Assessment of EU Regulation on Illegal Unreported and Unregulated fishing	
Stage: Final	Version: Updated	Date: 20/11/2009
Related Publications: EU IA for the Regulation on IUU fishing: http://ec.europa.eu/fisheries/cfp/external_relations/illegal_fishing/pdf/EN-staff_work_doc.pdf		

Available to view or download at:

<http://www.>

Contact for enquiries: Richard Parsons/Paul Riches

Telephone: 020 7238 3129/5354

What is the problem under consideration? Why is government intervention necessary?

IUU fishing undermines the sustainable use of wild fisheries resources globally and contributes to the depletion of fish stocks. Current regulations and enforcement activity are inadequate to control the extent of Illegal, Unreported and Unregulated (IUU) fishing. Such controls will be strengthened by implementing Council Regulation 1005/2008 which is intended to tackle IUU fishing by preventing imports of IUU fish to the EU, the world's biggest importer of fish.

Government intervention is required to implement the Regulation in the UK, and play its part in strengthening EU-wide controls on imports of illegal fishery products. The fact that entry through any EU port then enables IUU produce to circulate freely within a common EU market highlights the need to combat illegal fish products from entering the EU at all its ports.

What are the policy objectives and the intended effects?

The policy objectives in implementing the regulation are to prevent imports of IUU fish to the EU, and introduce dissuasive sanctions against IUU activity. Specifically this includes:

- Improving the inspection regime for third country fishing vessels in EU ports.
- Requiring all imports of wild-caught fishery products to be accompanied by a catch certificate, verifying that catches have been made legally.
- Facilitating re-importation of UK caught fishery products that have been exported to third countries for processing.
- Establishing a comprehensive list of vessels that have been identified as engaging in IUU activity, as well as introducing stricter fines and sanctions
- Widening the scope of enforcement to EU nationals right through the fishery supply chain

The intended outcome is the reduction of illegal fishing activity which will help to improve the sustainability of wild fish stocks and the marine environment.

What policy options have been considered? Please justify any preferred option.

- (i) Do nothing (considered as baseline only)
- (ii) Minimum implementation of the EU regulation

The preferred option is option (ii). For detail of specific policy provisions see the Evidence Base. EU member states have limited discretion under the regulation as to how these provisions will be implemented.

Option (i) would expose the UK to infraction proceedings, seriously undermine our previous and ongoing work in this area, and adversely impact on the UK's reputation and credibility with international partners.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The European Commission will undertake an evaluation of the impact of this regulation on IUU fishing by 29 October 2013. In addition, Member States are required to submit a report to the Commission on the application of the regulation every two years. On the basis of these reports and its own observations, the Commission will submit a consolidated report to the European parliament and the Council every three years.

Ministerial Sign-off For Final Impact Assessment:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Dan Norris

.....Date: 20th December 2009

Chief Economist Sign off

On behalf of the Chief Economist, this impact assessment has been reviewed and the overall approach to the cost-benefit analysis has been approved. It is advised that, given the available evidence, the IA represents a reasonable view of the balance of the costs, benefits and impacts of this proposal to implement EU regulation 1005/2008 to prevent illegal and unregulated fish and products being imported into or exported from the UK. While costs have been monetised the benefits of the policy are presented in qualitative terms, including increased sustainability of 3rd country fisheries and benefits to the UK fishing industry from reduced supply of IUU fish.

Summary: Analysis & Evidence

Policy Option: 2

Description: Minimum implementation of EU Regulation

ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'
One-off (Transition)	Yrs	
£ 2k	1	
Average Annual Cost (excluding one-off)		
£ 505k to 1,651k	10	<p>(1) Cost to government of monitoring IUU activity including additional enforcement costs [£183k p.a.]¹</p> <p>(2) Costs to UK importers of fish and fish products of catch certificate inspections [£244k to £733k per annum]</p> <p>(3) Admin burden on UK importers of fish and fish products as a result of catch certification scheme [£73k to £731k]</p> <p>For additional details see evidence base.</p>
		<p>Total Cost (PV) £ 4.2 million to £13.7 million</p>
<p>Other key non-monetised costs by 'main affected groups'</p> <ul style="list-style-type: none"> (i) Cost to UK exporters of fish and fish products of completing catch certificates for their exports, where required (ii) Costs of validating UK catch certificates (iii) Costs associated with any additional increase in investigations and prosecutions (iv) Possible rise in fish prices for consumers due to contraction in supply 		
ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
One-off	Yrs	
£		
Average Annual Benefit (excluding one-off)		
£		<p>Total Benefit (PV) £</p>
<p>Other key non-monetised benefits by 'main affected groups'</p> <p>By implementing the regulation, the UK will contribute to EU-wide action to prevent the entry of illegally caught fish onto the Community market. This will in turn, negatively impact on the economics of illegal fishing and in doing so improve the sustainability of global fish resources. This will result in better reporting of fish catches, better scientific recommendations, and more effective fisheries management, together with better status of fish stocks and increased yields for legal fishers. UK implementation will also improve profitability of UK fishing and fish processing industry due to reduced price undercutting from illegal operators.</p> <p>The Regulation provides for importers to apply for the status of Approved Economic Operator, resulting in a simpler route to importation. In practice, this will reduce administrative costs for importers and national authorities alike, once the regulation comes into force.</p>		

¹ There will also be costs to Port Health Authorities of conducting the catch certificate inspections listed in (2), however these costs will be recovered through inspection charges imposed on industry.

Key Assumptions/Sensitivities/Risks

Changes in risks of detection will affect flows of fish to/from the EU and affect prices globally and within the EU. These changes not entirely predictable. Although a recent Commission study has estimated that the additional cost of implementing the regulation in third countries could result in an overall increase of 0.26% in the average price of marine fishery products exported to the EU.

Assumptions made by Commission on practicality of certification system, may either not affect reality of IUU flows (i.e. increase corruption in certifying states or the attractiveness of weak entry points to the EU) or lead to effective blocks to trade from particular countries due to their particular circumstances such as capacity constraints due to staffing, communications, enforcement capacity etc.

Charges: the charge to be levied by Port Health Authorities for checking catch certificates on import is yet to be determined. Therefore for the purposes of this Impact Assessment an indicative range of charges has been used – ranging from £15 to £45.

Average number of catch certificates accompanying each consignment: A range of values has been assumed for the average number of catch certificates provided for each import – from a minimum of one certificate per consignment to an average of 10 certificates. The actual average number of certificates that will accompany each consignment will not be known until the scheme comes into operation.

Further assumptions are set out at paragraph 92.

Price Base Year 2009	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK [impacts global]
On what date will the policy be implemented?	1 January 2010
Which organisation(s) will enforce the policy?	Port Health Authorities/Marine & Fisheries Agency/Devolved Authorities/HM Revenue & Customs
What is the total annual cost of enforcement for these organisations?	£427k to £916k ²
Does enforcement comply with Hampton principles?	Yes Aim to – subject to EC negotiation
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£
What is the value of changes in greenhouse gas emissions?	£ None likely
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro Small Medium Large
Are any of these organisations exempt?	No No N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of £ 73-731k	Decrease of £	Net Impact	£ 73-731k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

² Of this, £244k to £733k represents the cost of conducting catch certificate inspections. These costs will be recovered through inspection charges imposed on industry. Government costs that will **not** be recovered through cost recovery are therefore about £183k.

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

A. Background

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Current Situation

1. Illegal, unreported and unregulated (IUU) fishing is one of the most serious global threats to the sustainability of fish stocks and to marine biodiversity. There is a large consensus within the international community on the seriousness of this problem and the need to adopt appropriate measures to prevent, deter and eliminate it.
2. The impacts from IUU fishing and associated activity can have negative ramifications both environmentally, economically and socially. IUU fishing firstly results in disastrous environmental damage to marine biodiversity. It greatly damages the sustainability of fisheries, especially where catches are unreported or misreported and contributes to over fishing. The effects of poor management from IUU fishing can distort the assessment of stocks and thereby undermine their future management. The use of un-seaworthy vessels and effectively indentured crews as well as connections with known criminal activity, add to the problem. Poor practices by illegal fishing vessels lead to deaths of seabirds, turtles and mammals. There are also additional health risks that can arise as IUU operators tend to circumvent applicable community rules on health and hygiene standards. More generally where national or international authorities have set fisheries harvesting at levels to ensure the continuation of the stock into the future, IUU fishing will undermine this. Thus illegal fishing can lead to the decline of once-profitable and sustainable fisheries

3. This problem is particularly critical for developing countries now many western fisheries are already heavily fished and well controlled. Weak governance and rich fisheries attract illegal fishers to these developing country waters. This is of particular concern as such fisheries can be a major part of national wealth/resource and potential income. In addition such fisheries often support the livelihoods of large artisanal fishing and fish processing communities and are a key protein source for many poorer communities.
4. A recent DFID and Defra funded study undertook a worldwide analysis of illegal and unreported fishing based on case study analysis of 54 countries and high seas fisheries⁴. Lower and upper estimates of the total current losses to illegal and unreported fishing worldwide are between US\$ 10 Billion (£6 billion) and US\$24 Billion (£14.4 Billion) annually, representing between 11 and 26 million tonnes of fish⁵.
5. As one of the major fish markets in the world the EU is likely to be a prime destination for illegal fish products. On the whole, IUU fishing imports are estimated to be the equivalent of 9% of the tonnage imported into the EC (500,000 tonnes) and 10% of the value of imports (1.1 billion euros). Ensuring that this product does not enter the EU market will therefore be a key line of defence in the fight against IUU fishing.

International Action on IUU Fishing

6. The consensus against IUU fishing has been expressed in various international instruments and notably in the voluntary International Plan of Action under the auspices of the FAO in 2001. Since then, calls for strong action against IUU fishing have intensified within the international community; e.g. via the annual Resolutions by the General Assembly of the United Nations on sustainable fisheries, and the 2005 Rome Declaration on IUU fishing at the Ministerial Meeting on Fisheries within the FAO in 2005).
7. The Community adopted its own Plan of Action against IUU fishing in 2002 as part of the Common Fisheries Policy. The UK made further commitments to combating IUU fishing through its participation and endorsement of the recommendations of the High Seas Task Force on IUU fishing, chaired by the UK Fisheries Minister, Elliot Morley and subsequently Ben Bradshaw.

The EC IUU Regulation

8. However, notwithstanding this concerted international pressure, the problem of IUU fishing still persists. The European Commission therefore considered that a regulation to improve Community policy against IUU fishing was needed. The EC IUU regulation was agreed at Council on 29th September 2008 after a period of negotiation with Member States. The UK negotiated the draft regulation to a tight schedule, in close discussion with stakeholders in industry, NGOs and implementing agencies.
9. The regulation which comes into force on 1 January 2010, introduces a new Community system to prevent, deter and eliminate IUU fishing. The key elements that will be implemented in the UK are:

⁴ Agnew DJ, Pearce J, Pramod G, Peatman T, Watson R, et al. (2009) Estimating the Worldwide Extent of Illegal Fishing. PLoS ONE 4(2):e4570. Doi:10.1371/journal.pone.0004570.

⁵ These values were calculated using estimates of global illegal and unreported catch for 292 case study fisheries, comprising 46% of the reported total world marine fish catch. Tonnage estimates were scaled up proportionally and market value was calculated using FAO statistics on the average price per tonne of fish. Market value estimates are in 2003 prices.

- a. Improving the inspection regime for third country fishing vessels in EU ports.
- b. Requiring all imports of wild-caught fishery products to be accompanied by a catch certificate, verifying that catches have been made legally.
- c. Facilitating re-importation of UK caught fish that has been exported to third countries for processing.
- d. Establishing a comprehensive list of vessels that have been identified as engaging in IUU activity, as well as introducing stricter fines and sanctions
- e. Widening the scope of enforcement to EU nationals right through the fishery supply chain

10. The EC carried out its own Impact Assessment that was published in October 2007.

http://ec.europa.eu/fisheries/cfp/external_relations/illegal_fishing/pdf/EN-impact-assessment.pdf

11. The EC has also recently published a study on the expected impacts of the regulation on developing countries.

http://ec.europa.eu/fisheries/publications/studies/iuu_consequences_2009_en.pdf

B. Rationale for Government Intervention:

- 12. Current legislation in the EU does not effectively bar the entry of illegal fish into the EU. Because there are no internal barriers to trade, such illegal fish is able to circulate freely. Whilst some operators are attempting to follow strict rules regarding sourcing fish from legal sources, they are being undercut by cheaper illegal produce.
- 13. There is currently no straightforward legislative basis for turning away shipments of fish which have been caught illegally under rules applying in a third country (in contrast to countries such as USA which do have such legislation). Nor is there a legislative basis for taking action against EU nationals, such as those knowingly involved in buying or importing illegal fish.
- 14. The EU does not have any mechanism for taking action against states that support illegal fishing, through having no effective control over fishing vessels flagged to their registries. These states authorise vessels to fish, but take no action to ensure they do so legally.
- 15. Illegal Unreported and Unregulated fishing can occur anywhere, including by EU vessels and in EU waters. However, currently, Member States are not taking enforcement action against fisheries violations in a harmonised fashion. Weak enforcement offers incentives for illegal activity to flourish in certain locations.
- 16. The above issues all argue for government intervention though implementing a Community Regulation that has been agreed at EU level.

C. Options for implementation in the UK

- 17. There are two main options for consideration when implementing this regulation in the UK.

Option 1 – Do Nothing

18. This option is to do nothing and make no changes. It represents the baseline for this Impact Assessment. Clearly, taking this option would mean the UK will not meet the requirements of the regulation, nor play its part in the EU response to tackling illegal fishing. While the UK is already undertaking activity to tackling IUU activity, the measures contained in the Regulation will require new and additional activities to be undertaken. If this option was taken, there would be a very real risk that the Commission would commence infraction proceedings against the UK.

Option 2 – Implementation of the IUU Regulation

19. This would ensure the UK complied with the regulation sufficiently, mitigating the risk of infraction proceedings. Option 2 is the preferred choice for a number of reasons. UK industry are supportive of this regulation as it will help to ensure that those operators who abide by the rules are not put at an unfair advantage or undercut by operators who engage in IUU activity.

D. Costs & Benefits of implementation options

Option 1: Do nothing

Costs

20. UK processors are already putting in place voluntary measures to ensure that their fish products are IUU free. This behaviour is starting to be rewarded in the UK market place. However the increased costs of sourcing legally can also put UK producers at a disadvantage compared to competitors who may import to UK or compete in the European market using cheaper illegal supplies.
21. The lack of relevant legislation does however mean that UK authorities have no legal basis for taking action against importers of fish into UK where that fish had been taken in contravention of fisheries conservation and management measures outside EU waters. This is a significant loophole and means there are limited means to deter such importers. This leaves the UK and UK importers and processors with a reputational risk in cases where IUU products enter the country. The EU and the UK continue to be alerted by NGO reports where doubts exist regarding the provenance of fish, and in particular on the impacts of the IUU fish trade on developing countries.
22. The major indirect cost of IUU fishing is the risk it imposes to the sustainability of UK fish supplies. As fish resources become scarcer and come under greater pressure, IUU fishing will negatively impact on resource sustainability. UK is heavily reliant on imports for consumption and for processing (60% of all fish and 90% of whitefish is imported to the EU, and a similar pattern is reflected in the UK). The do nothing option is therefore a risk both for the continued availability of fish supplies to consumers and to the UK processing industry in the long term. In addition, the UK fish processing industry is the second largest in Europe and of greater value than our fishing sector (18,000 employees vs 12,000 in the fishing sector), as a result there could be negative economic and employment impacts if long-term security of supplies is jeopardised.

Benefits

23. Doing nothing would allow the fishing industry and the processing sector to operate as usual and avoid any short-term adjustments. However, in the long run threats to sustainability of fish stocks could affect the availability of supply.

Option 2 - Implementation of the IUU regulation

24. The main provisions of the Regulation that will be examined in this Impact Assessment are set out below. The full text of the Regulation can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:286:0001:0032:EN:PDF>

- a. Improving the inspection regime for third country fishing vessels in EU ports.
- b. Requiring all imports of wild-caught fishery products to be accompanied by a catch certificate, verifying that catches have been made legally.
- c. Facilitating re-importation of UK caught fish that has been exported to third countries for processing.
- d. Establishing a comprehensive list of vessels that have been identified as engaging in IUU activity, as well as introducing stricter fines and sanctions
- e. Widening the scope of enforcement to EU nationals right through the fishery supply chain

a. Improving the inspection regime for third country fishing vessels in EU ports.

The Requirements

25. The Regulation provides an improved framework for port state control, allowing Member State authorities to better monitor and supervise incoming fishing vessels and their catches. Access to port services, landings and transshipment by third country fishing vessels will therefore only be authorised in ports designated by Member States.
26. Masters of third country fishing vessels must also notify the competent authority of the Member State whose port facilities they wish to use at least 3 working days prior to estimated time of arrival. This deadline helps to plan ahead their verifications and avoid unnecessary congestion in ports. Exceptions to this notification period will be considered, taking into account the type of fishery products, the place of catch and where the vessel is registered. In addition, masters of third country fishing vessels (or their representatives) shall submit to the Member State authority a declaration indicating the quantity of fishery products by species and the date and place of the catch prior to landing or transshipment.
27. All transshipment operations between third country fishing vessels and Community fishing vessels may only take place in designated ports in Member States. Fishing vessels flying the flag of a Member State shall not be authorised to tranship at sea catches from third country fishing vessels outside Community waters unless the fishing vessels are registered as carrier vessels under the auspice of a Regional Fisheries Management Organisation.
28. Inspections will be carried out on at least 5% of all landings and transshipments by third country vessels each year, in accordance with risk management benchmarks. However, vessels will systematically be inspected in cases of suspicion or findings of non compliance with conservation and management rules (i.e. following sightings, notification under the Community Alert System, or identification for IUU fishing).
29. There will be no authorisation to land or tranship catch in a Member State port if the inspection shows evidence that the vessel has been engaged in IUU fishing activities. If

the suspected IUU activity was carried out on the high seas or in the waters of a coastal state, the inspecting Member State shall cooperate with the State concerned in carrying out an investigation and if given permission (by that State), sanction the fishing vessel accordingly.

30. Fishing vessels appearing on the Community IUU vessel list will not be authorised to enter into ports of EC Member States (except for reason of force majeure or distress).

Sectors and groups affected

31. Third country fishing vessels or their representatives, UK Fisheries Call Centre, Marine and Fisheries Agency (MFA) and relevant enforcement bodies in Scotland, Wales and Northern Ireland.

Costs - overview

32. Any additional costs resulting from implementing this part of the regulation will fall to the UK Fisheries call Centre (for notifications) and the Marine and Fisheries Agency and the relevant enforcement bodies in Scotland, Wales and Northern Ireland (for inspections).

33. However, the number of 3rd country fishing vessels landing directly into the UK is relatively small. In 2008 data⁶ shows a total of 127 landings by third country vessels, 122 of which took place in Scotland from Norwegian, Icelandic or Faroe Island vessels.

34. The regulation does however widen the definition of “fishing vessel” to include “carrier vessels equipped for the transportation of fishery products”. While existing data does not include details of such vessels, the Marine and Fisheries Agency have estimated that 50 such landings take place each year. This would increase the annual total of third country landings to 177.

35. This compares with a total of 285,000 vessel landings⁷ from UK registered fishing vessels. Landings from third country vessels therefore only comprise 0.06% of the total landings in the UK.

Costs - Landing notifications & declarations

36. The proposals contained in the **new EU control regulation**, due to come into force on 1 January 2010 will require prior landing notifications to be made from all UK fishing vessels. Additional resources will therefore be required to deal with this increase in notifications. The increase in third country vessel landings is a very small percentage of this additional requirement.

Cost of processing landing notifications and declarations made by 3rd country fishing vessels

37. The UK Fisheries Call Centre (UKFCC) will process landing notifications and declarations. These duties will principally be carried out by administrative grade staff. The UKFCC will disseminate the information to the relevant authority in the UK and

⁶ Data from UK Fisheries Call Centre

⁷ Taken from MFA provisional statistics on vessel landings in 2008

keeps its own records of the notifications. The estimate from Marine Scotland of the time involved would be approximately 5 minutes per vessel notification. The estimate of staff time for a year would equate to 11 hours additional work as there were only 127 landings into the UK by 3rd country vessels in 2008. The cost of this additional staff time is estimated to be much less than £1000, but in order to be conservative the latter figure has been used in the cost estimates.

Costs - Landing and transshipment inspections

38. The IUU regulation requires inspections to be carried out on a minimum of 5% of landings and transshipments by third country fishing vessels. If the UK were to carry out the minimum number of inspections, on the basis of current landing patterns from third country vessels, this would mean inspecting 9 vessel landings. However, some of these landings are already inspected under the North East Atlantic Fisheries Commission (NEAFC) Port State Control rules, where we are already required to undertake inspections on 15% of landings from countries that are contracting parties to NEAFC. Clearly the IUU regulation goes beyond the NEAFC scheme, as it applies to all third country vessels. It would therefore be prudent to assume that all 5% of inspections will be additional to those undertaken under the NEAFC controls. This will provide an upper cost estimate.

Cost of landing and transshipment inspections

39. A large proportion of the fish landed directly into the UK arrives into Scotland. Marine Scotland has provided cost estimates for the inspection work they carry out on 3rd country vessels. Taking the example of an average size Norwegian pelagic vessel that arrives into Port in the Shetland Isles, this inspection would be carried out by two officers and would take approximately 1 hour to complete. The required staff resource using standard government staff grades would be 1 HEO and 1 EO. The cost in staff time for this inspection would be approximately £60 total for the hour.

40. Some landings and transshipments are subject to more in depth analysis. Full monitoring of a landing would require more time with two officers in attendance at all times on a rota basis. It is hard to estimate the duration of such a thorough inspection but Marine Scotland have estimated that on average it can take about 24 hours to complete with supervision of the whole process. The estimated staff costs (based on appropriate wage rates under ASHE) would be a total of approximately £700 for the whole operation.

41. Assuming an average cost of £380 $[700+60/2]$ per landing inspection, the total annual cost of landing inspections is therefore estimated to lie in the range of £540 to £6,300, with an average of £3,400.

Costs - Record Keeping

42. UK authorities keep the originals of landing declarations or a hard copy of an electronic transmission for a period of three years. There may be some cost associated with storage of any paper records. Though given the small number of landings from third country vessels, this is not likely to be a significant additional cost burden. As a result we expect the cost implications of both increased notifications and inspections to be minimal.

b. All imports of wild-caught fishery products to be accompanied by a catch certificate, verifying that catches have been made legally.

The Requirements

43. The Regulation provides that the trade with the Community of fishery products obtained from IUU fishing will be prohibited. To ensure the effectiveness of this prohibition, fishery products shall only be imported into the Community when accompanied by a catch certificate.
44. The competent authorities of flag state country of the vessel catching the fish must certify that the catches concerned have been made in accordance with applicable laws, regulations and international conservation and management measures. This certificate is required to be validated by the competent authority of the flag state country, and must be accompanied if necessary, by additional documents covering an indirect import after transshipment, transit or processing of the products in another third country.
45. The catch certification scheme will apply to all unprocessed or processed catches, except for freshwater fish, ornamental fish, aquaculture products obtained from fry or larvae or certain molluscs, contained in Annex I of the Regulation.

Sectors and Groups affected

46. Importers of fish and fish products; Port Health Authorities (PHA); HM Revenue & Customs (HMRC); MFA and devolved fisheries administrations.

Costs

47. Port Health Authorities (PHA) will inspect the catch certificates accompanying imported fish and fish products at Border Inspection Posts (BIPs). As with other certification requirements accompanying products of animal origin, it is likely that PHA will charge for checking the certificates on a cost recovery basis. The charge is yet to be determined. Therefore for the purposes of this Impact Assessment we have included an indicative range of charges – from £15 to £45. The upper cost estimate is based on the charges levied for existing schemes such as the organic certification scheme. The minimum estimate of £15 is based on the charges that are currently in operation under the Plant Health Import regime. This is based on example costs under that regime, the lowest totalling £12.40 which includes 1x documentary charge £5.29, 1x ID check charge £5.29, 1x initial physical charge £1.32 and 10 x additional physical charge (10@£0.05) £0.50.
48. In total, 16,292 consignments of fish and fish products were imported into UK in 2008 (not including those products excluded from under the IUU regulation i.e. farmed fish). Using this estimate, the cost to importers of the catch certification scheme is estimated to be between £244,380 and £733,140. These estimates are based on the assumption that one charge is levied per imported consignment. [This is a policy decision. The choice is to charge per certificate, as, at this stage, we simply do not know the number of catch certificates that will accompany imports].
49. The final charge will be determined once the duties that will need to be carried out by PHA have been finalised, and the associated costs of staff time, overheads and other resources required, have been calculated.
50. There will also be costs linked to training of Port Health officers, who will be undertaking the checks. These costs have been estimated at £1000, based on

experience of operating similar training events, such as the IUU seminars undertaken by Defra and Seafish in November 2009.

51. For those operators who wish to take advantage of simplified processes at the border, and therefore potentially save on cost associated with inspecting the catch certificates, the IUU regulation provides for the introduction of a system of Approved Economic Operators (APEO). Those businesses that have been granted APEO status will not need to present the catch certificates for checking at the point of import, but instead keep the certificates and associated documents themselves, and make them available for checking as required by UK authorities. As a result, the APEO system may help to minimise the long term burden of the regulation.
52. There may be some costs for importers of obtaining APEO status, as they will need to fulfil a number of application criteria (set out at Article 16.3 of the IUU regulation). It is extremely difficult to estimate such costs, as they will vary from business to business, depending on their existing capacity to meet the criteria. There will be no charge for applying for APEO status which will be linked to the existing HMRC Authorised Economic Operator (AEO) scheme.
53. It is impossible to estimate with any certainty the number of businesses that will apply for and be granted APEO status, and the number of consignments they will import. Therefore, for the purposes of this Impact Assessment we have not included the potential savings to business and PHA of introducing the AEO system i.e. we have assumed that no UK businesses are granted AEO status. This will provide an upper level of costs associated with introducing the catch certificate scheme. [Have include this in non-monetised benefits]
54. There will, however be some set up costs to establish the APEO system, that we are able to quantify. These will principally relate to the cost of additional staff required to process the APEO applications. This function will be carried out by staff at HMRC who operate the existing Customs Authorised Economic Operator (AEO) scheme. HMRC have estimated the additional staff resource required at 1 staff year at administrative and junior management grades (0.75 at AO grade and 0.25 at EO grade). This would be reviewed after a period of 18 months as there would be a natural decline in applications after the initial start up period. The cost of this additional staff resource has been estimated using the ASHE (annual survey of hours and earnings) and would cost approximately £18,000 pa.
55. As stated above, the bulk of the set up costs are expected to be incurred in the first 18 months of the scheme, after which the resource requirement is expected to drop off sharply. For the purposes of the cost estimation, it is therefore assumed that the establishment of the APEO system will cost £18k in the first year and £9k in the second year, with costs in subsequent years assumed to be zero.
56. Once the IUU catch certificate has been checked and cleared, PHA will advise HMRC's central clearance hub that a consignment has been cleared for import. HMRC may need to adapt their systems in order to accommodate these new requirements. Such changes are already undertaken on an ongoing basis by HMRC, and no additional costs are envisaged. However, at this stage the precise requirements have yet to be clarified.

Administrative burden of completing catch certificates

57. The regulation may also increase the administrative burden on importers, who will need to ensure that the appropriate paperwork, including catch certificates is presented on import.
58. A number of importers have provided estimates of the cost in staff time to complete the paperwork required under the Regulation. Completing the importer section of the catch certificate is estimated to take 5 mins of administrative staff time most likely completed by the freight forwarder. Industry estimate that additional time may also be required both by importer and agents in checking certificates prior to submission. They estimate that it will add on average another 20mins to the paperwork checking procedure. Using an hourly wage rate of £10.80 (including 30% overheads) for administrative/clerical staff (taken from ASHE), this equates to an estimated average cost of between £73 k (assuming an average of one certificate per consignment) and £731 k (assuming an average of 10 certificates per consignment) to the whole UK industry. [N.B. The average number of certificates that will accompany each consignment will not be known until the scheme comes into operation].

Risks from Implementation of the Catch Certificate scheme

59. There may be a potential risk of delays at UK ports and airports if importers do not provide the relevant paperwork, or if further verification is required, this could include the risk of spoilage for fresh fish. This risk can be managed by good communication to industry on the requirements of the new system, and by good communication between importers and exporters on the need for complete and validated documentation. There may also be costs of storage, to be borne by the importer, when further checks need to be carried out or documentation is incorrect or incomplete. If a consignment is rejected, costs of disposal will be borne by the importer. However, good communication as mentioned above, and compliance with the new regulations on the part of the industry, should ensure that such costs are kept to a minimum. Costs associated with potential non-compliance are not included in this assessment.
60. Moreover, some supplying countries may be unable or unwilling to meet the requirements of the regulation by the implementation date (1 January 2010). Such countries will not be permitted by the European Commission to export their products to the EU. The Commission have held regional seminars around the world to help ensure third countries are aware of the new requirements and are in a position to comply with the regulation by the implementation deadline. However, in the short term there may be a overall contraction in supply of fish to the EU market, with consequent upward pressure on prices.
61. The impact in the UK will depend on whether importers can find alternative sources of supply, should their existing suppliers be ineligible to export to the EU. It is however difficult to make quantitative predictions about these impacts in the UK, not least due to the uncertainty regarding the relative importance of IUU fish in total UK supply. Changing consumer preferences in favour of sustainably sourced fish may also act to mitigate adverse impacts on consumers

c. Facilitating re-importation of UK caught fish that has been exported to third countries for processing.

The Requirements

62. Catch certificates validated by UK authorities, will be required for catches from UK vessels in the following cases:
 - a. where they are exported to third countries (e.g. for processing), and subsequently re-imported to the EU.
 - b. Where the authorities in the destination third country requires them on a systematic basis.

Sectors and groups affected

63. UK fishing industry, UK processing sector, MFA and Fisheries Administrations in Devolved Administrations

Costs

64. The costs for this element of the regulation are likely to fall to the exporter, who will need to collate all relevant information to complete the catch certificate, and to the UK fisheries administrations that will need to validate the certificates.
65. However, at this stage we do not have an estimate of the quantity of fish and fish products exported to third countries for processing which are then subsequently re-imported. Publicly available data is limited to export and import data on an aggregated basis. It does not track individual consignments. Such data is held by individual businesses and is not publicly available.
66. A further complication is that we do not yet know which countries will demand a UK catch certificate to accompany and fishery products exported to that country. As a result we are not able to determine at this stage the number of UK certificates that will be need to be established, and therefore the overall cost to industry of completing UK catch certificates, nor of the cost of validating them. This information will only be available once the new system is operational.

Set up costs for UK catch certificates

67. The cost implications for setting up the UK catch certificate process will be minimal. A simple solution will be in place by January that includes an interactive online form that users can complete and submit online or by email /fax as well as print out and post as a hard copy. The cost of designing the interactive form will be approximately £1000. [Based on estimate from contracted designer].

d. Establishing a comprehensive list of vessels that have been identified as engaging in IUU activity, as well as introducing stricter fines and sanctions

The Requirements

68. Illegal activity by EU vessels is already covered by the provisions of the Common Fisheries Policy. However the regulation does include provisions to add names of EU vessels to an IUU vessel list. This list, which has accompanying penalties, is designed to accommodate 3rd country IUU vessels but also EU vessels where the relevant Member State has taken no action against its own vessel after an IUU incident. We believe the risk of a UK vessel being added to the IUU list is low as UK takes action against its vessels in conformity with CFP regulations.
69. The draft regulation also proposes stricter penalties for EU fishing vessels found to be fishing in contravention of existing EU fisheries legislation. These provisions have been specifically developed to ensure there are dissuasive penalties against illegal activity.

Costs

70. We believe the risks of major impacts for the UK are low; the UK uses strong fines and in particular high value confiscations from vessels acting illegally.
71. The MFA is expected to set up a new unit to co-ordinate action against IUU activity. MFA have advised that this will consist of one Grade 7 officer and two HEOs. Using ASHE, the total annual cost of the unit is estimated to be about £180 k.

e. Widening the scope of enforcement to EU nationals right through the fishery supply chain

The Requirements

72. The regulation provides for stiffer penalties for EU nationals involved in IUU activity right through the supply chain.

Costs

73. Costs will be associated with the relevant authorities taking legal action against those operators under their national flag who are suspected of being engaged in IUU activity.
74. The level of serious infringements recorded by fishing vessels is not likely to increase under this regulation, but penalties will be stiffer. An increase in the number of investigations and subsequent prosecutions related to IUU fishing may occur where offences are extended to other parts of the supply chain e.g. importers of illegal fish.
75. An average investigation cost is hard to estimate as it varies widely on a case by case basis. The MFA state that investigative work can take many hours and range from under 100 hours in simple cases, to thousands of hours for the most complex cases.

Costs of additional prosecutions

76. It is useful to consider the current costs to the MFA of their prosecution activity to give an indication of what additional charges they may incur if they are required to take action in respect of the IUU Regulation.
77. Information obtained from the MFA indicates a wide range in the cost of prosecutions. At the lower level, prosecutions can cost less than £10,000 for relatively simplistic

cases dealt with by Magistrates Courts, to well over £100,000 for very complex cases. The number of prosecutions carried out at present by the MFA for other offences cannot be used to estimate the likelihood of legal action we may potentially see under the IUU Regulation, as they involve different offences under separate legislation. From our understanding of the trade in the UK the overall prevalence of IUU activity is low. The number of prosecutions is likely to reflect this.

Costs of reduced supply of IUU fish

78. For UK retail customers, there is a possibility that the new requirements will raise prices of fish and fish products. Processors may pass on additional costs associated with import charges to retailers. In addition, the reduction in supply of illegal fish could also raise prices. It is estimated that the EU imports €1.1 billion of illegally caught fish each year, often at prices that undercut the legitimate trade. (http://ec.europa.eu/fisheries/cfp/external_relations/illegal_fishing/pdf/EN-impact-assessment.pdf)
79. While a potential rise in fish prices may be undesirable from the point of view of today's consumer, it can be seen as a necessary adjustment, to ensure that the market price adequately reflects the true scarcity value of the resource. A reduction in the scale of IUU fishing today, by enabling better fisheries management, can be expected to lead to higher fish availability for consumers in the future. Therefore, a rise in the market price would create a transfer of value from fish consumers today to consumers in the future, who would otherwise face very scarce (and therefore very expensive) or no wild fish supplies
80. Clearly there will be costs borne by third country suppliers of complying with the requirements of the regulation. The average additional cost of implementation has been estimated by a European Commission study at €7-8 per tonne of imported fishery products. Assuming that compliance costs in third countries will be passed through the supply chain to consumers, the additional costs are estimated to result in an overall 0.26% increase in the average price of marine fishery products exported to the EU.

Summary of total costs of option 2

81. In this final Impact Assessment, the monetised annual cost to UK importers of fish and fish products of complying with different aspects of the new IUU regulations have been identified – these are likely to range from £317k to £1,464k per annum. Annual costs to government have been estimated to be about £202k and £193k in the first and second years of operation respectively, and about £184k in subsequent years. There are also one-off costs to government of £2k. Over a 10 year time horizon, the present value of total cost is estimated to range from £4.2m to £13.7m. Total costs of enforcement are estimated to range from £427k to £916k. This includes the cost of inspections for landings from third country fishing vessels, cost of checking catch certificates at ports and airports, and the cost of the MFA's IUU co-ordinating unit. Of this it is anticipated that the cost of conducting catch certificate inspections (£244k to £733k) will be recovered through inspection charges imposed on industry, while £183k represents the additional enforcement costs to government that will **not** be recovered.
82. In addition, further estimates of relevant costs have been prepared, following the publication of the Commission's guidance handbook and Implementing Regulations. The summary table below identifies the costs that have now been established.

N ^o		One-off cost	Annual cost	Description	Incidence
Inspections of third country fishing vessels					
1	Cost of landing and transshipment inspections		£3.4k	Cost in staff time £60 for a simple 1hr inspection. £700 for full landing and transshipment supervision <24hrs	UK Fisheries Agencies, MFA, Marine Scotland, DARDNI
2	Cost of processing landing notifications and declarations made by third country fishing vessels		£1k	Staff time (administrative grade) at 5 mins per vessel notification. 127 notification pa approx staff cost less than £1000	UK Fisheries Call Centre
Catch certification scheme for imports of fish and fish products					
3	Set-up costs of catch certification scheme – training of port health officers	£1k			PHA
4	Cost of catch certification scheme – establishment of APEO scheme		£18k in first year and £9k in second year		HMRC
5	Cost of catch certificate inspections		£244k to £733k		UK importers of fish and fish products
6	Admin burden of completing catch certificates		£73k to £731k		UK importers of fish and fish products
UK catch certificates required on export					
7	Set-up costs for export certification	£1k		Minimal as infrastructure in place. Cost of creating certificate £1000	MFA and Devolved Administrations
8	Cost of validating export certificates		X	Not estimated ⁸	MFA and Devolved Administrations
9	Admin burden of completing catch certificates		X	Not estimated [see footnote]	UK exporters of fish and fish products
EU nationals to be liable for involvement in IUU fishing or trade in IUU products					
10	Cost of additional prosecutions		X	Not estimated. Depending on the complexity of the prosecution, costs estimated at between £10k and over £100,000. However, it is not possible to determine how many prosecutions may take place. Costs would be recovered in the case of successful prosecutions.	UK government
11	Cost of investigations		X	Not estimated. Extent of investigation will depend on complexity of the case	UK Government
12	Cost of monitoring		£180k	MFA unit to be set up to monitor IUU activity	MFA

⁸ It is not possible to estimate the likely number of UK catch certificates required for exports to 3rd countries. UK catch certificates will only be required if 3rd countries request a certificate (this is at present unknown) or for those products that are exported, processed and re-imported into the EU. We do not have data on the volume of products that are exported and then re-imported to the EU.

83. The approaches described for each of the five main requirements to be implemented were made taking into account the most practical, cost effective and least burdensome options. This included joining up activities of a number of different public authorities (e.g. Marine and Fisheries Agency and devolved equivalents, Port Health Authorities and HMRC), wherever possible making use of existing structures and seeking ways of complying with the regulation that sought to avoid the need to set up new ways of working from scratch. Preference for options was based on delivering value for money and in a way that would make the most efficient use of any existing resources.

Benefits

84. The European Commission's study on the impact of the regulation on developing countries estimates that implementation of the regulation will result in a reduction in illegal catches in the region of 135,000 tonnes per year (assuming the regulation prevents 60% of the trade in illegal fishery products with the EU). It could also serve to increase the legal trade with the EU overall by 3.2%, equivalent globally to €425 million a year.
85. Illegal fishing activity undermines the rational management of global fisheries resources. 75% of global fisheries resources are currently at or above full capacity, assessed on legal fishing pressure. This means that any illegal activity takes these fisheries even further into unsustainable status. In addition illegal activity is associated with damaging fisheries practices which, for example lead to higher levels of discarded fish and higher levels of bycatch of e.g. turtles, dolphins, and seabirds
86. The EU market makes up 40% of world fisheries trade and is highly dependent on imports, therefore any changes to EU rules on imports of fish will have an impact on global activity. Any tightening of regulation in this area will negatively affect the economics of current illegal practices, although some diversion of illegal produce to other markets will inevitably take place. The regulation will also help prevent the current reality of illegal operators undercutting legitimate processors with cheaper products sourced from illegal fish.
87. Fisheries form the basis for significant national income in developing countries. Fish exports are worth more to developing countries than exports of coffee, tea, cocoa, sugar, rice and bananas combined. Fish protein is a significant source of nutritional protein globally, supplying only an average of 20% of total animal protein in diets for developing countries globally. In developing countries in South and Southeast Asia, fish provides an even higher percentage (30-50% higher) of animal protein [<http://www.fao.org/docrep/003/X6941E/x6941e06.htm>] and is important to the food security, livelihoods and economic growth in many developing countries around the world.
88. The regulation aims to reduce the depredations of illegal activity on developing country fisheries resources. It is likely that the regulation will impose some costs initially on developing country administrations. However, it is also likely to provide a key opportunity for those countries that have the will to address the issue by controlling the certification of fish products derived from their waters. This would lead to improved national incomes from fisheries and increased sustainability of such resources.

89. Some UK processors already operate traceability systems for processed fish products, including processing where processing is done in third countries. This is being done for market advantage and corporate social responsibility reasons. The IUU regulation will highlight the benefits of ensuring traceability from net to plate.
90. In addition, the regulation will help address unsustainable practices in fisheries and therefore help secure supplies of fish for the future. Consumer confidence in the sustainability of fish supplies in particular fish supplies from UK suppliers will be increased. With the issue of sustainably caught fish rising rapidly up the agenda, consumers will be better assured of the traceability and non-IUU status of fish supplies.
91. Benefits will also be derived from specific elements of implementing the regulation, notably:
- a. The requirement to provide a prior notification of landing (accompanied by a catch certificate) and landing declaration will enhance Member States capacity to identify any fish products that have been caught illegally.
 - b. The restrictions on transshipment at sea are welcome, as this is often recognised as a way of laundering illegal fish.
 - c. In UK and EU waters, stricter action against infringements will benefit legitimate fishers. While stricter enforcement and more dissuasive penalties will help preserve European fish stocks against illegal fishing activity.
 - d. The regulation will enable action to be taken against illegal operators at all levels within the supply chain, and against UK nationals involved in IUU activity wherever it takes place.

Assumptions made in this Impact Assessment:

92. Some key assumptions have been identified on the summary page. Other assumptions used in this impact assessment are:
- APEO: No importers will obtain APEO status – whether to apply for APEO status is a voluntary decision for importers, and it is difficult to predict at this stage the number of importers who will apply for or obtain this status.
 - Landing and transshipments inspections: the staff resource undertaking this activity using standard government staff grades would be 1 HEO and 1 EO equivalent.
 - Record keeping: the cost implications of both increased notifications and inspections are expected to be minimal
 - New IUU Unit within MFA: it has been assumed that this Unit will be staffed by one Grade 7 and two HEOs.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	Yes
Sustainable Development	No	Yes
Carbon Assessment	No	Yes
Other Environment	No	Yes
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	Yes
Rural Proofing	No	Yes

Sustainable Development Assessment – Stretching the web

The stretching the web tool was developed at Defra to assist policy makers in making assessments on the sustainability of their policies. The tool can provide useful results as part of an impact assessment as the questions it uses are taken directly from the IA specific impacts test checklist. A copy of the SD assessment can be found at Annex A

Competition Assessment

We do not envisage there will be any significant impact on competition between firms from the implementation of this regulation in the UK. An assessment has been made against the Office of Fair Trading guidance for completing competition assessments. The regulation is unlikely to create a limit in the number or range of suppliers. The requirements that the regulation will introduce should be able to be met by those currently operating in this industry. The regulation is unlikely to have any major impact on the ability of suppliers to compete against each other or the intensity of competition between them.

Small Firms Impact Test

One area where there could be potential for differences between large and small firms relates to the charges that Port Health Authorities are likely to levy for inspecting the catch certificates. The introduction of an AEO system will allow importers who meet the requirements to be exempt from the charges as they will not have to present certificates at the border but keep them as records for future checks/verifications. Individual businesses will need to make their own assessment as to whether applying for AEO status will be in their best interest. Although there is no charge to apply, there will be an associated administrative cost during the application process which will need to be weighed up against the level of import operations.

Human Rights

The proposals are consistent with the Human Rights Act 1998. Note for interest: IUU fishing vessels are regularly reported by NGO's for abuses of labour held on board for long periods in very poor health and safety and sanitary conditions.

Legal Aid

The proposals will have no significant impact on Legal Aid provisions

Health Impact Assessment

The proposals will have no significant impact on health, well-being or health inequalities.

Sustainable Development/Other Environment

As set out in the main analysis the provisions are aimed at improving the sustainability impacts of fishing on fish stocks and marine environment; therefore a positive effect overall.

Carbon Assessment

The proposals will have no significant impact on net carbon usage.

Race, Disability, Gender Equality

The proposals will have no significant impact on race, disability or gender inequalities.

Rural Proofing

The proposals will have no significant impact on rural proofing issues.

Annexes

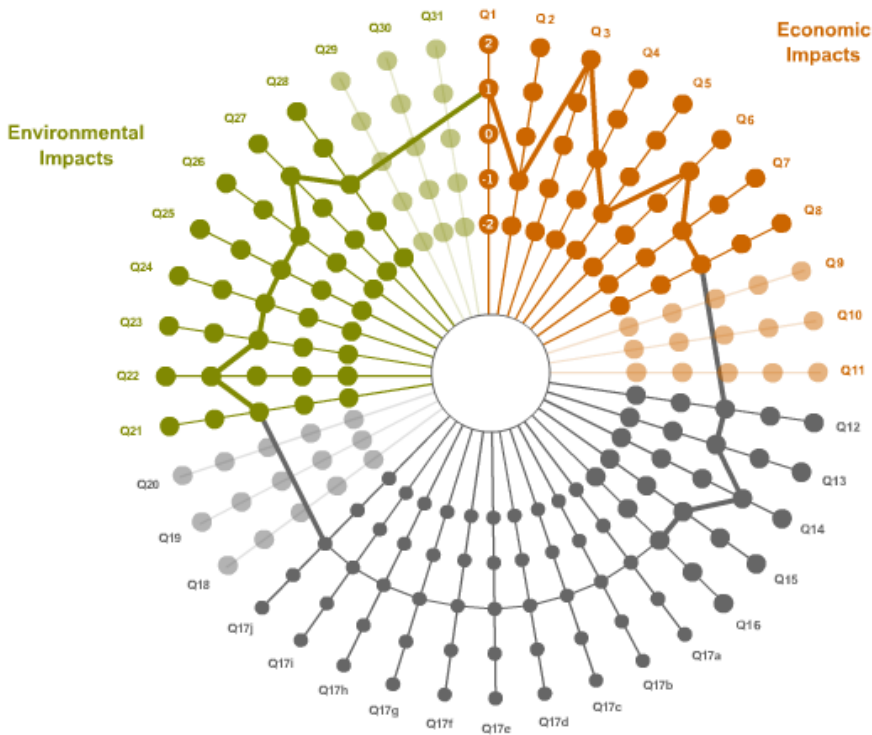
Annex A – Stretching the web assessment

Economic impacts	-2	-1	N	1	2
Q1. Will the proposal have a significant impact on competition?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Q2. Will the proposal impact on small businesses?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q3. Will the proposal introduce new criminal sanctions or civil penalties?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Q4. Will the proposal bring receipts or savings to Government?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q5. Will it impact on costs, quality or availability of goods and services?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q6. Will it impact on the public sector, the third sector, consumers?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Q7. Will the proposal result in new technologies?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q8. Will the proposal result in a change in the investment behaviour both into the UK and UK firms overseas and into particular industries?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q9. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q10. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q11. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Social impacts	-2	-1	N	1	2
Q12. Will the proposal have an impact on health, wellbeing or health inequalities?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q13. Will the proposal influence safety at work or affect the likelihood of accidents in the community?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q14. Will the proposal affect the rate of crime or crime prevention or create a new offence/opportunity for crime?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Q15. Will the proposal affect the levels of skills and education?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q16. Will the proposal affect the provision of facilities or services that support community cohesion or in other ways that affect the quality of life in the local community?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q17. Could the proposal result in any changes in or a differential impact on any of the following?					
a. Race equality	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Rural proofing	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Human rights	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Gender equality	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Disability equality	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Children and young people	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Older people	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. Income groups	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
i. Devolved administrations	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
j. Particular regions of the UK	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q18. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q19. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q20. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Environmental impacts	-2	-1	N	1	2
Q21. Will the proposal lead to change in the emission of Greenhouse Gases?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q22. Will the proposal be vulnerable to the predicted effects of climate change?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Q23. Will it lead to a change in the financial costs or environmental and health impacts of waste management?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q24. Will it impact significantly on air quality?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q25. Will it involve any material change to the appearance of the landscape or townscape?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q26. Will it change the degree of water pollution; levels of abstraction of water; exposure to flood risk?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q27. Will it disturb or enhance habitat or wildlife?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Q28. Will it affect the number of people exposed to noise or the levels of exposure?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q29. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q30. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q31. <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

POLICY NAME: IUU Reg



Social Impacts

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